DATABASE MANAGEMENT: More power to your database - The art of good database management lies in the system's simplicity and its efficiency of operation, as Sarah Denner Brown explains

SARAH DENNER BROWN, senior partner at SDB Talking Direct Direct Response 30-04-2001 12:00

One of the sadder conversations I have had in recent months was with a senior marketer within a large packaged goods company, who rather shyly approached me to ask if I could help him decode responses from three DM agencies to a brief that he had sent them.

They posited the merits of regression and cluster analysis, piffled on about Chaid and segmentation systems, and generally exhibited all the symptoms of analysts in stampede. My poor marketer did not understand a word.

Herein lie some lessons: good **Database** management is about simplicity and operational efficiency. Not spending more than you have to and above all, remembering that what we are trying to achieve is fundamentally straightforward.

The quest is for the transformation of dry operational data into the information about markets and customers that the marketer can use to drive the business profitably forward.

In the smaller business context, the **Power** of **Database** marketing is arguably greater than in large corporations. Small businesses tend not to have bottomless budgets - indeed, many do not even have the luxury of full-time marketing staff.

One of the glories of successful **Database** planning is that it is not really about clever marketing, nor yet clever IT. Both help. But much of it is down to solid common sense and understanding the way your business operates.

Setting business objectives

This is particularly the case when making decisions about the data you need and where to source it and also true of the rudiments of segmentation.

Whether you are working with a basic contact management system, Microsoft Access, or a multi-million pound bespoke system the principles are the same. It all boils down to having the right data, having that data clean and up to date and asking intelligent questions of that data. But this can all be achieved using some very simple tools and a lot of common sense and communication skills.

Data comes at a price. There is the cost of acquiring it, the cost of maintaining it and the cost of using it. Because of all these factors it is imperative that you are collecting the data you need to satisfy your business objectives. It is a useful exercise to hand out a form to your customer-facing colleagues asking them to list their business objectives for the medium-term and then against each objective to identify information that would help them achieve it. That way you end up with a 'data to get' list that bears a direct relationship to the development objectives of the business. If you cannot think of a reason to have an item of data, then you probably do not really need it.

Another regularly overlooked point is that your business is probably awash with information just waiting for you to harness it into your customer **Database**. This is the information at operational activity level that keeps the business running: sales transactions, customer service enquiries, accounts and distribution data. Collecting the elements of this data from the grass roots is usually a very cost-effective way of getting hold of data.

The key to the harnessing of operational data is strategic thinking - not just about what you need, but where you are going to find it. A useful process is detailed in the panel on page 55.

Trouble points

It is where you are asking the customer for information that your troubles may begin. You are dependent upon what the customer tells you and the manner in which they present that information to you. But there is much that you can do to ensure as far as possible the integrity of your source data.

This chiefly involves asking for it in the right way - design of coupons, forms and entry screens - and then being rigorous about validating what you see. Within the confines of this article we are unable to discuss a very wide range of sources, but let us consider especially data capture by postal coupon or application form and web-derived data.

The key here is to keep a clear, data-collecting head when designing your direct response material and data input systems. Badly-designed coupons with a free address format allow the respondent to complete the address however they think fit. Glossy paper and biro are not a happy combination and remember that if you want people to write a response to you, it pays to have the form on white paper with black print, not the other way round.

Talk to your data capture staff and see how they would like the information presented.

Make sure that the responder is clear where each line of the address should be written. If anything at all looks impractical then redesign your form. If the various lines of the address are not reliably to be found in their own field then you will find it impossible to make even very simple selections from your system (such as, all customers who live in the Birmingham postal area) or match names and addresses to identify duplicates.

Web-based collection problems

Web-derived data is subject to the same sorts of problems, but more so.

The issues of form design are even more acute than on paper. The chief problem is that with your web site you are potentially reaching a global audience, meaning international names and addresses. If you have never considered the difficulties of managing just UK address data then the nightmare potential of international data may leave you breathless. Virtually every country on the globe has its own way of presenting addresses.

So, given that each element of the address needs to be safe and snug within its own designated field, combined with the difficulty of recognising the elements of some international addresses and then trying to prise them into an unsuitable field layout, you begin to see the problems. A straightforward solution, which does at least maintain the integrity of your UK data, is to offer a separate entry page for non-UK data.

The other problem with the internet are those who think it is funny to fill your forms with utter rubbish. If you are responsible for data quality then the joke is not huge. UK data processing bureaux may well hold look-up tables of common swear words and silly names and addresses against which to check new data. But how many look-up tables contain German vulgarities or Polish cartoon characters?

The easiest way to determine the level of data problems that you have from the web or otherwise, is to look at a printout of the input data - then call in an expert to help you clean it up, if what you see is not pleasing to the eye. And then, having got the right data in the right condition the next step is to find simple ways of learning from it. Do not over-complicate the analysis until you have milked the simple things, for they can be very powerful indeed.

A small company selling flowers by post routinely mailed its whole 40,000 customer base five times a year. This generated plenty of business but cost the company a great deal. In an effort to reduce mailing costs without reducing response, the company segmented out those customers who had not placed an order in three years - the **Database** was

cut to 23,000 names.

But before dropping the 17,000 dormant customers, they were mailed once more giving them a last chance to respond before being deleted from the list. Over 20 per cent responded, mostly with an order, leaving the client with a responsive active base of around 26,000 names and vastly reduced mailing costs.

Encouraged by this success, the business then identified the top 500 spenders and communicates with those spenders very personally. The spend of those top spenders over a year increased by an average of five per cent. The organisation is now looking for patterns of spend and experimenting with increasing order frequency among those people who buy for Mother's Day.

Maintaining a customer **Database** is critical to the success of any business these days, but it pays to remember that it is, after all, merely a tool to help us do what businesses have been doing since selling began - knowing your customers.

TIPS ON OPERATIONAL DATABASES

- Identify the operational activities that already generate information for you.

- See if there are other databases that you could also use to get information.

- Sell the idea of data collection to your staff. If they do not understand what is in it for them, for the customers and for the organisation, then data feedback will be at best patchy - and at worst downright unreliable.

- Keep an eye on quality issues. Knowing where every bit of data is coming from means that if it seems unreliable, you can act on the process on collection. A theatre I know was trying to collect data on the types of event its customers were interested in. It tried to capture this information by asking box office bookers to enter the event types onto the system at point of enquiry. Staff had to select from a scroll-down list of 30 event types - comedy, drama, ballet, the Chippendales and so on. After three months the data was evaluated and distressingly 93 per cent of responders were not interested in any of those options but in the default option 'other'. Not powerful data! To fix it, the default option was simply removed. Common sense, patience and operational understanding solved the problem.